

September 15, 2020

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk and Executive Director  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

**Re: South Carolina Energy Freedom Act (House Bill 3659) Proceeding to Address S.C. Code Ann. Section 58-27-460(A)(1) and S.C. Code Ann. Section 58-27-460(A)(2) (Promulgation and Periodic Review of Standards for Interconnection and Parallel Operation of Generating Facilities to an Electrical Utility's Distribution and Transmission System)  
Docket No. 2019-326-E**

Dear Ms. Boyd:

I am submitting this letter on behalf of Duke Energy Carolinas, LLC ("DEC"); Duke Energy Progress, LLC ("DEP," and together with DEC, the "Duke Utilities"); Dominion Energy South Carolina, Inc. ("DESC"); the South Carolina Solar Business Alliance, Inc. ("SBA"); and Southern Current, LLC ("Southern Current"). SBA and Southern Current are referred to collectively as the "Solar Intervenors." DESC, the Duke Utilities, and the Solar Intervenors are referred to collectively as the "Interested Parties."

On October 9, 2019, the Public Service Commission of South Carolina (the "Commission") directed the Commission Staff to open the above-referenced docket to address the directives contained in S.C. Code Ann. Section 58-27-460(A)(1) and (2), which states in part: "The commission shall promulgate and periodically review standards for interconnection and parallel operation of generating facilities to an electrical utility's distribution and transmission system, where such interconnection is under the jurisdiction of the commission pursuant to Title 16, Chapter 12, Subchapter II of the United States Code, as amended, regulations and orders of the Federal Energy Regulatory Commission, and the laws of South Carolina."

On July 23, 2020, the Clerk issued a Notice of Hearing and Prefile Testimony Deadlines as well as the Prefile Testimony Letter setting out a procedural schedule for this docket, requiring pre-filed testimony to commence on October 15, 2020. As explained herein, the Interested Parties request that the Commission hold these deadlines in abeyance and permit the Interested Parties to implement the requirements of Section 58-27-460 in this docket as described below.

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### **Request for Two-Phase Approach**

The Interested Parties request that the Commission address the directives from S.C. Code Ann. Section 58-27-460 in two phases. In the first phase, the Commission would consider proposed revisions to the South Carolina Generator Interconnection Procedures (“SCGIP”) to establish an alternative process for studying certain large generators requesting interconnection.<sup>1</sup>

One such alternative study process would be utilized by the Duke Utilities, which have spent almost two years working with the Solar Intervenors and other members of the solar industry to develop a set of proposed procedures (the “Duke Queue Reform Proposal”) that would allow the Duke Utilities to study interconnection requests together in “clusters,” as opposed to the serial study required by the current SCGIP. In order to implement this alternative study process, complementary changes to the interconnection procedures must also be approved by the North Carolina Utilities Commission (“NCUC”) and the Federal Energy Regulatory Commission (“FERC”). Due to the complexity and the time-sensitive nature of obtaining these regulatory approvals, the Interested Parties request that the Commission first take up the related SCGIP revisions necessary to implement the alternative study process and the Duke Queue Reform Proposal. Then, the Interested Parties propose that the Commission move to the second phase of the SCGIP reforms, as described below.

The second phase of work would involve comprehensive revisions to the other portions of the SCGIP not implicated by the Duke Queue Reform Proposal, and would be proposed by the Duke Utilities, DESC, the Solar Intervenors, and potentially other interested parties, after a series of stakeholder meetings intended to seek consensus on proposed reforms. This phase of work would also address the directives in Section 58-27-460(A)(3) regarding energy storage, as well as the directives in Section 58-27-460(E).

### **Timing of the Two Phases**

The Interested Parties anticipate that this first phase of revisions to the SCGIP, including the Duke Queue Reform Proposal, will be proposed for the Commission’s review in approximately 6-8 weeks, depending on the need for additional stakeholder meetings and collaboration.

Once that work is complete, the Interested Parties will begin the second phase of work to review the remaining sections of the SCGIP and propose revisions thereto. The Interested Parties are committed to working collaboratively to develop consensus on as many areas as possible, with the goal of achieving complete consensus and presenting a full settlement to the Commission, as was the case in the establishment of the revised SCGIP in 2016. The Interested Parties will update the Commission as to their progress on this work by November 30, 2020.

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<sup>1</sup> The changes to the SCGIP are necessary to permit alternative study options and would allow each utility to propose such alternative options. The Interested Parties have not yet reached consensus on what those changes would be.

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### **Procedural Schedule**

The Duke Utilities and the Solar Intervenors are optimistic that the Duke Queue Reform Proposal will be presented to the Commission as a consensus proposal.<sup>2</sup> In order to obtain approval from FERC and implement the Duke Queue Reform Proposal in the time frame desired by all participants in the generator interconnection process, the Duke Utilities and the Solar Intervenors anticipate requesting expedited review by the Commission, to the extent possible. Given these circumstances, the Duke Utilities and the Solar Intervenors believe that prefiled testimony and an evidentiary hearing on the Duke Queue Reform Proposal are unnecessary. To the extent that any issues remain in dispute when the Duke Queue Reform Proposal is filed, the Duke Utilities and the Solar Intervenors suggest that the parties be permitted to explain and support their respective positions with written comments rather than prefiled testimony. The Duke Utilities, after consultation with the Solar Intervenors, will provide additional detail on this requested procedural approach when filing the Duke Queue Reform Proposal.

DESC does not oppose this approach and understands the time constraints and complexities associated with the Duke Queue Reform Proposal. DESC is evaluating a queue reform process utilizing a form of “clustering,” similar to that of the Duke Queue Reform Proposal. However, in light of the Duke Utilities’ extensive work, collaboration with the Solar Intervenors, and need for expedited review, DESC has committed—to the extent it plans to implement a queue reform proposal—that it will not submit such a proposal until after the Commission has issued an order on the Duke Queue Reform Proposal. This agreement respects the limited resources of the Interested Parties, Office of Regulatory Staff, and the Commission and allows for expedited review of the Duke Queue Reform Proposal.

### **Conclusion**

For the reasons described herein, the Interested Parties respectfully request that the Commission hold the procedural schedule in abeyance and permit the Interested Parties to implement the requirements of Section 58-27-460 in this docket in the two-phased approach described herein.

Sincerely,



Rebecca J. Dulin  
*Counsel to Duke Energy Carolina, LLC and Duke  
Energy Progress, LLC*

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<sup>2</sup> The Duke Queue Reform Proposal is unique to the Duke Utilities and their systems. DESC does not object to the Duke Queue Reform Proposal, but specifically reserves its rights to seek approval of its own queue reform proposal for its system should it choose to do so.

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Matt Gissendanner  
*Counsel to Dominion Energy South Carolina, Inc.*

/s/ Richard L. Whitt

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*Counsel to the South Carolina Solar Business  
Alliance, Inc. and Southern Current, LLC*

C: Parties of Record (via email)